

A PROPOSAL FOR
REALLOCATION OF CITY TOURISM FUNDS

PREPARED FOR

KIM PAYNE

SEPTEMBER 30TH, 2005

HOTEL
MOTEL
ASSOCIATION

September 30, 2005

Mr Kim Payne
City Manager
City of Lynchburg
Lynchburg, VA 24504

Dear Mr. Payne:

Please find enclosed our proposal for change in the Tourism Program management.

We, the Lynchburg Hotel/Motel Association, believe the existing partnership and contractual agreement between the Lynchburg Regional Chamber of Commerce and the City of Lynchburg to operate the Lynchburg Regional Convention & Visitors Bureau (LRCVB) should be terminated. While this contractual agreement has become increasingly lucrative for the Chamber, it has become increasingly inefficient and ineffective in increasing the number of visitors to Lynchburg. Over time, the Chamber has added payroll, overhead, and other operating expenses while continuing to decrease the advertising and marketing funds allocated to accomplish the mission, which is to increase tourism for Lynchburg. Additionally, LRCVB staff participates in Chamber projects taking time away from tourism activities.

The Chamber attempts to mask their inefficiencies and lack of effectiveness by stating that, through the years, lodging tax revenue has increased under their watch. Although total tax collections have risen, this is due to several factors including the increase in room rates, the growing supply of hotel rooms in Lynchburg, increases in lodging taxes, and the addition of the dollar per room tax. While there was \$19.6 million in taxable hotel revenue in 2004, the LRCVB was responsible for only \$270,000, or 1.37%. We believe this is unacceptable.

Moving forward, we recommend that the Convention & Visitors Bureau be separated from the Chamber and operated under the direction of the City of Lynchburg's Department of Economic Development. This arrangement is not unusual. According to a 2003 nationwide survey, only four percent of the Convention & Visitors Bureaus were operated by Chambers of Commerce. In Virginia, since the year 2000, the following are examples of tourism programs having been returned to cities/counties in Virginia. They are: Augusta County to Waynesboro; Bedford; Danville; Warrenton; and Winchester.

Page 2

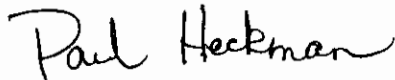
While there are many Chambers who credit themselves with tourism programs, only Bristol, Lynchburg and Williamsburg have a tourism director and staff.

By moving the LRCVB to the City's Department of Economic Development, and using 25% of \$1,391,911 (the un-audited figures for lodging revenue for 2004/2005) or \$348,000, it is already a cost savings of more than \$100,000 of last years tourism budget. Of that amount, we suggest 40% for advertising/marketing. The program would then have more emphasis on advertising/marketing of Lynchburg as a tourism destination than it has under the stewardship of the Lynchburg Regional Chamber of Commerce.

We welcome a meeting with you and any other City staff to answer questions you may have. We have copies of this proposal as well as a suggested budget prepared for you. We can also have copies for City Council, Deputy City Manager, City Attorney, the Director of Economic Development and Clerk of Council when you are ready to present.

We look forward to speaking with you soon.

Yours very truly,

A handwritten signature in black ink that reads "Paul Heckman". The signature is written in a cursive, flowing style.

Paul Heckman, Chairman
Lynchburg Hotel/Motel Association
434-846-2333

Enclosure: Tourism Proposal

INTRODUCTION

The Travel/Tourism Program has been operated by the City of Lynchburg since 1980, when the Department of Economic Development was established. In 1984 a full-time Tourism Director was hired and in 1986 the Lynchburg Visitors Center opened in its current location at 12th and Church Streets.

LRC In 1993, the City of Lynchburg began its partnership with the Greater Lynchburg Chamber of Commerce (GLCC). The revamped Lynchburg Convention and Visitors Bureau would be privatized and managed by the GLTC. In 2000, this name was changed again to the Lynchburg Regional Convention & Visitors Bureau (LRCVB) to reflect the supposedly regionalized nature of the program.

The Travel Advisory Council (TAC), a 12 member governing body, was established to oversee the program. The City of Lynchburg and the Chamber of Commerce each appoint six (6) representatives to the TAC, and each representative serves a three year term. Appointees from the City of Lynchburg must live within the city limits, while members appointed by the Chamber are not required to be city residents.

The mission of the TAC is to advise the LRCVB on Travel/Tourism Development for the purpose of developing travel and tourism initiatives in the Lynchburg region. The TAC operates in "advisory capacity" only, and does not make any decisions regarding the tourism budget

Currently, the LRCVB occupies two offices in Lynchburg. Three (3) full-time employees have offices in the Chamber Offices on Memorial Avenue, and one full-time employee and 7 part-time employees operate the Lynchburg Visitors Center at the corner of 12th and Church Streets.

Under the original contract the Chamber was to receive \$170,000 per year plus 50% of any growth in revenue from the lodging taxes based upon the \$680,000 revenue base from the 1991-92 fiscal year.

In the first three years, the Chamber also provided \$10,000 for the "administration and operation of the Lynchburg Visitors Center and the Travel/Tourism Development Program in the form of matching funds for leveraging private participation in joint advertising efforts" (this provided \$20,000 for advertising). In addition, the Chamber was to provide \$38,000 of in-kind services per year.

Year	Contract	% (+/-)
1993	88,575.00	Partial Year
1993-94	170,000.00	-
1994-95	212,004.00	+24.7
1995-96	206,427.00	+2.6
1996-97	212,000.00	+2.7
1997-98	212,000.00	0
1998-99	235,985.00	+12.7
1999-00	333,837.00	+41.0
2000-01	414,902.00	+24.25
2001-02	495,779.00	+19.5
2002-03	485,972.00	-0.2
2003-04	444,837.00	-8.5
2004-05	450,639.00	+0.13
2005-06	486,630.00	+8.7
Source: 1993-96 data provided by the City of Lynchburg Department of Economic Development and 1996-2006 data provided by City of Lynchburg Budget Division		

By 1997, the tourism contract was extended for three additional years, the base was increased to \$180,000 per year, and the Chamber agreed to provide \$48,000 per year in in-kind services.

In addition, two additional funding sources were provided to the Chamber's Tourism Program by the City of Lynchburg in the form of two \$15,000 annual payments, one for Tourism Marketing and one to Sports Capital, Inc. for marketing sporting events.

The current 5-year contract, signed in 2000, eliminated the requirement for the Chamber to provide in-kind service and the Chamber now charges \$26,400 for support services, which covers a portion of the salaries for Chamber staff members.

During the past 10 years, the funding level provided by the City of Lynchburg for the tourism program has doubled from \$212,000 in FY 1996-97 to \$485,000 in FY 2005-06. The majority of this increase is due to an increase in the hotel/motel tax which has grown from 4.5% percent in 1996 to the current rate of 5.5% plus \$1.00 per room night in 2001.

Presently, the Chamber staff is paid hourly wages out of the tourism budget; however, the Tourism Staff is not being reimbursed for hours worked at Chamber events. The Tourism Staff regularly assists for Chamber Events, including the Connections Trade Show and Golf Tournaments, as well as serving on Chamber committees.

In 2004, the Visitors Center Staff processed 893 relocation packets for the Chamber. The Sports Capital Division, which is a Chamber project, is also staffed by the Tourism Department. Time spent working on Chamber projects is time taken away from tourism projects.

SITUATION ANALYSIS

In January of 2004, the Lynchburg Regional Convention & Visitors Bureau released its 2004 Annual Report. The 4-color, 12-page document included the tourism division highlights and accomplishments for 2004 and the 2005/06 Business Plan.

Based on this report, the mission of the LRCVB is to promote the Lynchburg Region and enhance our image as a destination for leisure visitors, group and sporting events, and to improve our area economy by increasing overnight visitation through sales and marketing.

According to the Annual Report, the effectiveness of the LRCVB will be measured through four methods:

- 1) Visitation figures from the Lynchburg Visitors Information Center
- 2) Tourism Inquiries
- 3) Room night bookings reported by the local lodging community as a result of leads from the LRCVB.
- 4) Customer satisfaction level as measured by repeat business and survey methods.

Total Visitors To Lynchburg Visitors Center		
	#	%
Year	Visitors	Change
1993	20,572	-
1994	18,805	-8.0
1995	18,030	-4.0
1996	19,230	+6.5
1997	18,414	-4.0
1998	19,975	+8.5
1999	17,241	-13.0
2000	17,079	-.93
2001	17,295	+1.2
2002	16,087	-6.9
2003	14,257	-11.3
2004	16,297	+14.3
Source: Lynchburg Visitors Center Annual Report		

Analysis of Visitation Figures

Visitors to the Lynchburg Visitors Center have decreased **-20.7%** from 20,572 in 1993 to 16,297 in 2004.

Analysis of Tourism Inquiries

Total inquiries were down **-27.0%** from 32,922 in 2003 to 23,795 in 2004.

Analysis of Room Night Bookings

While there was \$19,613,169 in taxable hotel sales revenue in 2004, the LRCVB was credited with \$270,140.00 in total sales. This makes the LRCVB responsible with only **1.37%** of total room revenue for 2004. The LRCVB also claimed responsibility for 3,526 room nights in 2004. Based on the \$1.00 room tax, a total of 308,123 room nights were booked in Lynchburg in 2004, making the LRCVB responsible for only **1.14%** of the total number of group room nights booked in Lynchburg.

Hotel/Motel Sales Tax Revenues

While the LRCVB has credited itself with the increase in total hotel/motel tax revenues, there are several other factors involved:

- 1) Hotel/Motel Sales Tax has increased from 4.5 percent in 1996 to 5.5 percent plus \$1.00 in 2005.
- 2) The number of hotel rooms in Lynchburg has increased from 1,298 in 1996 to 1,764 in 2005.
- 3) Improved yield management of rates by hotels.

Fiscal Year	Taxable Base	% Change (+/-)
1997	\$ 15,829,583	-
1998	\$ 17,354,176	+9.6
1999	\$ 18,030,806	+3.9
2000	\$ 19,636,983	+8.9
2001	\$ 19,726,663	+4.6
2002	\$ 18,385,977	-6.8
2003	\$ 18,569,578	+1.0
2004	\$ 19,613,169	+5.6
2005	\$ 20,351,277	+3.8

Source: City of Lynchburg Department of Revenue,

Since the addition of the \$1.00 per room tax in 2001, room sales in Lynchburg have declined -2.77% from 314,917 room nights in 2001 to 306,106 in 2005. The hospitality and travel industry as a whole took a major hit in the wake of the September 11th terrorist attacks, and Lynchburg was not exempt. However, the figures still show that based on the \$1.00 per room tax that there was a decline in room nights sold from FY2004 to FY2005.

Fiscal Year	\$1 Room Tax	5.5% Tax	Total Tax	% Change (+/-)
1997	\$ -	\$ 844,535	\$ 844,535	-
1998	\$ -	\$ 925,881	\$ 925,881	+9.6
1999	\$ -	\$ 962,407	\$ 962,407	+3.9
2000	\$ -	\$ 1,047,730	\$ 1,047,730	+8.8
2001*	\$ 314,917	\$ 1,042,993	\$ 1,357,910	+28.7
2002	\$ 291,452	\$ 974,802	\$ 1,266,254	-6.7
2003	\$ 299,168	\$ 981,777	\$ 1,280,945	+1.2
2004	\$ 308,123	\$ 1,046,525	\$ 1,354,648	+5.7
2005	\$ 306,170	\$ 1,085,741	\$ 1,391,911	+2.75

Source: Source: City of Lynchburg Department of Revenue

LRCVB Budget

As a result of the \$547,376, 64.8% increase in hotel/motel tax revenue from 1997 to 2005, the budget of the LRCVB budget has increased +43.5% from \$212,000 in 1996 to \$486,630 in 2005.

Budget Comparisons

In 2003, the International Association of Convention and Visitors Bureaus (IACVB) completed the CVB Organizational and Financial Profile Report, which is the most comprehensive of its type produced about convention and visitors bureaus. It is based on a survey of IACVB member bureaus conducted in the fall of 2003.

The table below compares line item budget expenses of the 2005 Lynchburg Regional Convention & Visitors Bureau (LRCVB) as a percentage of actual budget. These figures are compared to average budget percentages of IACVB member bureaus.

Line Item Expense	Lynchburg Regional CVB	% Of Actual Budget	IACVB Average %
Salaries & Wages	231,900.00	51.7	31.8
Payroll Taxes	17,210.00	3.8	2.3
Employee Benefits	28,150.00	6.3	4.5
Convention Services/Registration	18,419.59	4.1	.3
Media Advertising	29,000.00	6.5	17.9
All Other Marketing	54,450.00	12.1	26.6
Administration	69,579.00	15.5	16.6
TOTAL	448,708.59	100.00	
Source: 2003 CVB Organizational and Financial Profile Report compiled by the International Association of Convention & Visitors Bureaus Foundation and LRCVB budget data			

The most notable comparisons are in the categories of personnel costs and marketing. Personnel costs (salaries and wages, payroll taxes, and employee benefits) in the IACVB study totaled **38.9%** of the average total CVB budget. By comparison, personnel costs for the LRCVB are **61.8%** of the total budget.

According to the IACVB, marketing/promotion costs total **44.5%** of the average total CVB budget. These costs include media advertising, which is typically the major promotional cost. By comparison, marketing and promotion costs are only **13.7%** of the total LRCVB budget.

Salaries & Wages make up **51.7%** of the LRCVB Budget. Using the IACVB averages as a guide, this figure should be closer to \$142,689.00, or **31.8%**.

Salaries & Wages	Amount
Salary Expenses	\$198,000.00
Support Services	26,400.00
Temporary Services	7,500.00
Total	\$231,900.00

Employee Benefits make up **6.3%** of the LRCVB Budget. Using the IACVB averages as a guide, this figure should be closer to \$20,191.00, or **4.5%**.

Employee Benefits	Amount
Retirement Plan	\$14,650.00
Group Insurance	13,500.00
Total	\$28,150.00

Payroll Taxes make up **3.8%** of the LRCVB Budget. Using the IACVB averages as a guide, this figure should be closer to \$10,320.00, or **2.3%**.

Payroll Taxes	Amount
FICA Tax	\$14,800.00
Unemployment Taxes	1,700.00
Workman's Comp.	710.00
Total	\$17,210.00

Administrative Expenses make up **15.5%** of the LRCVB Budget, which is right on par with the IACVB average of **16.6%**, which would be about \$74,485.00.

Administrative Expenses	Amount
Rent for Memorial Avenue Offices	\$5,999.92
Depreciation Office Equipment	9,974.00
Registration Fee	8,000.00
Office Supplies	9,200.00
Telephone	8,200.00
Equipment Repairs & Maintenance	4,750.00
Equipment Lease & Rental	1,250.00
Dues & Subscriptions	6,550.00
Directors Liability Insurance	550.00
Audit Expense	1,519.00
Taxes & Licenses	600.00
Utilities	1,600.00
Custodial – City of Lynchburg	9,880.08
Visitors Center Repair & Maintenance	806.00
Software Expense	200.00
Equipment Less Than \$500.00	500.00
Total	\$69,579.00

Marketing/Promotion make up **18.6%** of the LRCVB Budget. Using the IACVB averages as a guide, this figure should be closer to \$199,675.00, or **44.5%**.

Marketing/Promotion	Amount
Travel Expenses	\$8,000.00
Meals, Meetings and Lodging	14,000.00
Advertising- Consumer	24,000.00
Advertising- Group	5,000.00
Postage	9,500.00
Printing	8,000.00
Brochure Distribution	5,600.00
Production	2,500.00
National Tourism Week	2,850.00
Website Development	1,500.00
Promotional Items	2,500.00
Total	\$83,450.00

Convention Services/Registration make up **4.1%** of the LRCVB Budget. Using the IACVB averages as a guide, this figure should be closer to \$1,346, or **0.3%**.

Convention Services	Amount
Convention Services	\$18,419.59
Total	\$18,419.59

RECOMMENDATION

According to the definition promoted by the International Association of Convention & Visitors Bureaus (IACVB), Convention and Visitor Bureaus are not-for-profit organizations charged with representing a specific destination and helping the long-term development of communities through a travel and tourism strategy.

In 2003, the IACVB completed the CVB Organizational and Financial Profile Report, which is the most comprehensive of its type produced by Convention and Visitors Bureaus. It is based on a survey of IACVB member bureaus conducted in the fall of 2003.

According to this report, the majority of CVBs are independent not-for-profit associations classified as "business leagues" under Section 501(c)(6) of the Internal Revenue Code. A small percentage (6.3%) are independent non-profit associations classified under Section 501(c)(3) of the Internal Revenue Code, which affords them "most favored" tax exempt status. According to the report, a City or County agency operates 15.8 percent of CVBs, while only 4.0% are operated by a Chambers of Commerce.

Virginia Association of Convention & Visitors Bureaus

The Virginia Association of Convention & Visitors Bureaus (VACVB) collects data on an annual basis regarding the operation of CVBs across the Commonwealth of Virginia.

In recent years, it has been the trend to move tourism programs away from Chambers of Commerce to City/County Departments. In Virginia, since the year 2000 six tourism programs have been moved from Chambers to the City/County governments. They are Augusta Co. to Waynesboro, Bedford, Danville, Harrisonburg, Warrenton, and Winchester.

There are quite a few Chambers in Virginia that claim to have tourism programs. Only Bristol, Lynchburg and Williamsburg have a Tourism Director and staff.

Organizational Profile	% of CVBs
501 (c)(6)	68.3
City/County Agency	15.8
501 (c)(3)	6.3
State Agency	5.6
Chamber of Commerce	4.0
Source: 2003 CVB Organizational and Financial Profile Report compiled by the International Association of Convention & Visitors Bureaus Foundation	

Occupancy Comparison

Smith Travel Research (STR) is the lodging industry's leading information and data provider. Each month STR collects performance data on over 22,000 hotels representing more than 2.7 million rooms. The data is audited for accuracy and checked for adherence to the STR reporting guidelines.

According to the 2004 Annual Report conducted by Smith Travel Research, in comparison to the rest of the state, the Lynchburg MSA ranked on the bottom 25% percent in occupancy for the year. Two of the other communities which have tourism program managed by Chambers were ranked even lower.

Ranking	Community	2004	% Change
1	Dulles Airport Area	78.0	9.7
2	Fairfax/Tysons Corner	75.4	9.3
3	Chesapeake/Portsmouth	73.1	7.5
4	Arlington	73.1	7.5
5	Alexandria	70.0	10.6
6	Charlottesville MSA	69.7	2.8
7	I-95 Fredericksburg	67.4	0.6
8	Norfolk City	66.4	-3.6
9	Newport News/Hampton	64.7	-4.4
10	Richmond Downtown/Airport	63.4	4.6
11	Richmond West/Midlothian	63.8	3.7
12	Suburban VA Area	60.3	8.3
13	Virginia Beach City	59.7	-4.2
14	Richmond North/Glen Allen	58.7	-1.0
15	Staunton/Harrisonburg	57.2	2.0
16	Roanoke MSA	53.6	1.9
17	Lynchburg MSA	50.8	-2.7
18	Blacksburg/Wytheville	50.3	-3.1
19	Petersburg/Chester	49.9	-2.5
20	Williamsburg	49.1	-5.4
21	Johnson City/Bristol	48.0	-1.2
Source: 2004 Annual Lodging Report completed for the Virginia Tourism Corporation by Smith Travel Research. Bold= Tourism Programs that are managed by Chambers of Commerce			

BUSINESS PLAN

The Lynchburg Hotel & Motel Association has a vested interest in the future growth of the tourism industry in Lynchburg.

Our recommendation is that the Lynchburg Regional Convention & Visitors Bureau return under direct budget control by the City of Lynchburg. With the growth of the service sector in the region's economy, we suggest that the tourism program be operated by the Department of Economic Development.

In cooperation with those in the Tourism Industry, a Tourism Leadership Council could be established to assist and advise tourism on advertising and promotion. This group should consist of those directly involved in the tourism industry.

Disadvantages Under Chamber Management

Many of the original cost saving measures for placing the tourism program under the Chamber of Commerce no longer exist. There is simply no savings to the City for the Lynchburg Regional Chamber of Commerce to continue operating the tourism program, rather it is costly.

- o The Chamber is no longer required to provide in kind services to the tourism program. Under the original agreement, the Chamber Staff provided 60 hours of assistance per week (\$48,000 annually). This is no longer the case.
- o The Tourism Staff is expected to participate in the planning of, and to provide staff for, many Chamber events. Time spent on working on Chamber programs means less time spent for tourism promotion, with no return on investment.
- o Under the original agreement, the Chamber provided \$10,000 in matching funds for marketing and advertising, giving the tourism program a total of \$20,000 to spend for this function. Over ten years later, the Tourism/Chamber still only spends \$24,000 in consumer advertising out of a budget of \$448,708.89. This is far out of line with current trends, and is certainly not a benefit to the City.
- o The Chamber now charges the tourism program overhead, including \$5,999.92 annually for approximately 300 square feet of office space at the Chamber Offices on Memorial Avenue.
- o The Chamber charges \$4,750.00 for Equipment Repairs and Maintenance. This amount was not part of the original contract, nor was the cost for depreciation of Office Equipment. That budget item is \$9,974.00.
- o The original contract benefited the City by providing increased staff for the Tourism Program. Now, rather than providing staffing, the LRCC charges the

tourism program \$26,400.00 for support services and \$7,500 per year for temporary services.

- o The Lynchburg Regional Convention & Visitors Bureau is not truly regional. Beyond single co-op ads, none of the surrounding counties are providing funding for the tourism program. Although the City still remains the prime geographic area for hotels, the "selling" of county hotels does not add to the City tax base.
- o The Sports Capital Inc. is virtually non-existent and no longer has an operating Board of Directors. Although the program is owned by the Chamber, the staffing for Sports Capital was paid through the tourism program. At present, there is no sales person specifically dedicated to promoting sporting events as a Sports Capital employee. The tourism program has taken over that function as well, while still providing the Chamber with staffing for the 10-Miler. The tourism program is doing the work and the Chamber is reaping the rewards, while opportunities to market Lynchburg to visitors are withering. The City does not benefit from the tourism program under these types of practices.

Advantages Under the City's Department of Economic Development Management

Prior to its move to the Chamber in 1993, the Tourism Program operated out of the Office of Economic Development from 1980 to 1993. Some of the advantages of operating out of this office include:

- The Economic Development Office is served and assisted by Region 2000, and Economic Development Staff is quite competent to oversee and include tourism in its overall business model.
- Through the Economic Development Department, the Tourism Program will have credibility within the hospitality industry.
- The Tourism Program could save at least \$90,000 annually by moving the Tourism Director to the existing – and newly-renovated - offices at the Lynchburg Visitors Center.
- The Visitors Center Manager's job description could be changed to include assisting with administrative duties for tourism program as well as overseeing the Visitor Center staff. The proximity of the tourism director to the Visitor Center staff would allow the staff to assist with a wider variety of tourism projects, saving time and money and keeping more projects "in-house".
- By eliminating Chamber demands, the Tourism Director, Lisa Meriwether, will be able to promote Lynchburg, thereby increasing room nights and without additional staff.
- Under the auspices of the City, the tourism program will gain credibility with the hotel/motel business community, fostering more cooperation, and in turn will

provide better information for reporting and statistics. In the future, the CVB could also use the Standard Performance Methods recommended by the IACVB. This measure would help define and quantify the results of the CVB activities.

The advantages of a city-run tourism program are many. Most notable is the ability to acquire and tap into the broader base of expertise from those in the local tourism industry, rather than from the group that is now known as TAC, which includes a realtor, a mortgage broker, and a hospital employee.

Funding

- By reducing salary costs and subtracting the costs for utilities, temporary services and chamber office space, more than \$90,000 could be saved annually. Initially, some of that savings would go toward providing some start-up costs, including new computers and office equipment, but these things will pay for themselves quickly.
- By reducing operating costs, more funding could be provided for marketing and promotions, bringing the program to within industry norms.
- After implementing the various cost savings measures, the tourism program has the potential to run smoothly and efficiently, while allowing the City to realize additional revenue from the \$1.00 room night tax
- Future budgetary increases for the tourism program would be performance-based. Therefore, the more the tourism program helps generate room night bookings, the more they add to their budget. This is a win-win-win situation for the City, the hotels, and the tourism program.

Income	Annual Budget
City of Lynchburg	\$ 420,639.00
Income (carried over prior years)	\$ 16,569.59
Ten Miler	\$ 6,000.00
Misc. Income	\$ 500.00
Sale of Merchandise (net)	\$ 5,000.00
Total	\$ 448,708.59

Expenses	
Salary Expenses	\$ 198,000.00
Support Services(%of Chamber Emp. Sal.	\$ 26,400.00
Retirement Plan	\$ 14,650.00
Group Insurance	\$ 13,500.00
FICA Expense	\$ 14,800.00
Unemployment Taxes	\$ 1,700.00
Workman's Comp. Ins	\$ 710.00
Utilities	\$ 1,600.00
Custodial, City of Lynchburg	\$ 9,880.08
Memorial Ave. Office	\$ 5,999.92
Office Supplies	\$ 9,200.00
Building Repair/Main/Ins/Depr.(Vc)	\$ 806.00
Software Expense	\$ 200.00
Postage	\$ 9,500.00
Printing	\$ 8,000.00
Advertising-Consumer	\$ 24,000.00
Advertising-Group	\$ 5,000.00
Registration Fee	\$ 8,000.00
Telephone	\$ 8,200.00
Dues & Subscriptions	\$ 6,550.00
Brochure Distribution	\$ 5,600.00
Temporary Services	\$ 7,500.00
Production	\$ 2,500.00
National Tourism Week	\$ 2,850.00
Website Development	\$ 1,500.00
Directors Liability Ins	\$ 550.00
Convention Services	\$ 18,419.59
Audit Expense	\$ 1,519.00
Equipment Less than \$500	\$ 500.00
Travel Expenses	\$ 8,000.00
Meals, Meetings & Lodging	\$ 14,000.00
Depreciation Office Equip	\$ 9,974.00
Equipment Lease & Rental	\$ 1,250.00
Equipment Repairs & Maintenance	\$ 4,750.00
Promotional Items	\$ 2,500.00
Taxes & Licenses	\$ 600.00
Total Expenses	\$ 448,708.59